

BILL # SB1410

TITLE: traffic violations; fines; distributions

SPONSOR: Martin

STATUS: As amended by Senate TRANS

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FISCAL ANALYSIS

Description

SB 1410 requires 46% of revenue collected annually by Municipal Courts from traffic complaints issued on the freeway, in excess of the revenues generated in CY 2005, be deposited in the Department of Public Safety Fund established by the bill. The Department of Public Safety Fund is to be used for hiring Highway Patrol Officers and purchasing operational equipment. As amended the bill would be effective from and after December 31, 2006.

Estimated Impact

The bill will generate revenue into the Department of Public Safety (DPS) Fund, but the amount cannot be determined due to a lack of data. For example, the revenue generated by DPS issued citations on the freeway system which result in Municipal Court traffic fine revenue cannot be distinguished from Justice Court revenues, which is not covered by the legislation. Based on various simplifying assumptions, the bill could possibly generate \$332,800 in FY 2007 and \$1,049,900 once the bill is fully implemented in FY 2008. Additionally, the bill would reduce the revenues that would otherwise be deposited into various other funds and to local governments.

Analysis

The Administrative Office of the Courts (AOC) indicates they currently do not compile data based on calendar year as the bill specifies. While these figures can be calculated, to expedite the process all data used in this analysis are based on the state's fiscal year, not calendar year.

The AOC estimates total revenue (not just revenues generated from traffic complaints issued on the freeway) collected in Municipal Courts alone in FY 2005 was \$130,735,700 (when adjusted for financial obligations collected from prior year judgments). Based on reports from the AOC (which include some but not all courts in the state), approximately 75.7% of all revenue collected in Municipal Courts result from civil traffic cases (includes freeway and non-freeway cases). Based on these estimates, the total revenue generated in FY 2005 from all traffic related cases would be \$98,966,900.

Currently, data isn't available to distinguish traffic citations issued on freeways from those issued in other locations. Therefore, to estimate the revenue generated by traffic complaints issued on the freeway, this analysis uses the percentage of citations issued by DPS to the total number of citations written. The AOC indicates there were a total of 1,057,934 traffic related charges in FY 2005. The DPS annual report states that in FY 2005, DPS Officers on average issued 793 traffic citations a day, resulting in roughly 289,445 traffic citations per year. Anecdotal evidence from DPS suggests that the majority of citations written by the department refer violators to Justice Courts rather than Municipal Court. However, assuming 25% of the Department's citations referred violators to Municipal Courts, this would account for approximately 72,361, or 6.8% of traffic related charges in the state in FY 2005. Based on these assumptions, the estimated statewide freeway-only traffic citations yield \$6,769,200 in revenues in FY 2005. Additionally, local law enforcement agencies at times issue traffic related citations on freeways yielding additional revenues which are unaccounted for in this analysis.

Since FY 1995, statewide revenue generated by the court system has experienced an average annual increase of 10.17%. Based on this average annual increase, the anticipated revenue generated from traffic complaints issued on the freeway would increase to \$8,216,100 in FY 2007 and \$9,051,600 in FY 2008. This results in a net increase over FY 2006 and FY 2007 amounts of \$1,446,900 and \$2,282,400 in FY 2007 and FY 2008, respectively. As amended, the bill would only be effective from and after December 31, 2006 (half of FY 2007) reducing the allocation to the DPS Fund (46% of the growth over the

base year) to \$332,800 in FY 2007. Once fully implemented in FY 2008, the amount generated for the DPS fund is estimated to be \$1,049,900. In FY 2007, the bill does not appropriate any monies from the DPS Fund.

While the bill would generate revenue to the DPS Fund in FY 2007 and beyond, those who currently receive proceeds from the Criminal Justice Enhancement Fund, Medical Services Enhancement Fund, Clean Elections Fund, Deoxyribonucleic Acid Identification Fund, Probation surcharge fees and Fill The Gap monies would receive less of the revenue growth above the CY 2005 base under SB 1410, than what they would otherwise receive under current law (with the exception of the DPS Fund).

Local Government Impact

As amended the bill would reduce the amount of revenue local governments would directly receive by \$(172,400) in FY 2007 and \$(545,500) in FY 2008 based on the methodology outlined above. However, since local governments may receive a portion of the monies deposited into the various other funds indicated above, these amounts may be understated. In FY 2007 and beyond, local government revenues will not be lower than they were in FY 2005, however, a portion of the revenue growth will be forgone by local governments and certain state agencies as the monies will be deposited into the DPS Fund.

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